

CENTRAL INTELLIGENCE AGENCY  
Washington, D. C.

*Retirement*  
**SECRET**

MEMORANDUM  
NO. —

## OGC Has Reviewed

21 August 1947

SUBJECT: Retirement Status of Persons Employed on Unvouchered Funds

I. Application: This memorandum will apply to all employees who are employed on Unvouchered Funds under permanent or indefinite appointments and whose positions are classified in accordance with the Classification Act of 1923 as amended. This memorandum will apply regardless of whether the employee is stationed in the United States or abroad. This memorandum will not apply to temporary employees, i.e., employed for less than one year or to individuals engaged under authority of OSO projects.

II. Authority: The basic law relating to retirement of individuals in the Government service is the United States Civil Service Retirement Act of 22 May 1920 as amended (5 U.S.C.A. 691-736). Section 693(a) provides in effect that the Retirement Act shall apply to all officers and employees in or under the executive, judicial, and legislative branches of the United States Government. There are certain provisos and exceptions which are not pertinent. Section 722 provides that every employee coming within the provisions of the Retirement Act shall be deemed to consent and agree to the deductions from salary, pay, or compensation as provided in the Act, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services rendered by such employee during the period covered by such payment.

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III. Application of Act to CIG Employees: It has been determined that employees of CIG who are paid from Unvouchered Funds are entitled to the benefits of the Civil Service Retirement Act to the same extent as persons employed on Vouchered Funds. Therefore, it will be the policy of this agency to require deductions to be made for retirement from the salaries of those persons paid from Unvouchered Funds who are within the purview of the Act. Effective with the first pay period after the date hereof, deductions will be made for retirement from the pay of all employees to whom this memorandum is applicable at the rate provided for by law (now set at 5%).

IV. Credit for Past Service: Credit for past service will be granted in accordance with Section 736b of the Act. All employees concerned will be required to deposit with the Treasurer of the United States the prescribed amounts covering the period of their past Government service. Failure to make such deposit will not deprive the employee of credit for the service rendered, but the annuity of such employee will be reduced by the amount such deposit would purchase if made unless the employee shall elect to eliminate such service entirely from credit under the Retirement Act. The Civil Service Commission has recommended that where possible the deposit be made since the annuity in most cases will be increased proportionately upon retirement, and, since the employee's account draws interest at the rate of 4%, it is generally to an employee's advantage to make the payment.

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V. Inquiries: All inquiries concerning retirement deductions, coverage, benefits, deposits to cover past service, and other inquiries of this nature should be directed to the Chief, Personnel Division, OSO for persons assigned to that office and to the Chief, Special Services Division for persons in other branches of GIC who are employed on Unvouchered Funds.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

  
Executive for  
Administration and Management

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